

Exhibit 6A

Excerpts of Deposition of Alexandra Schwarzman

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF MICHIGAN
3 SOUTHERN DIVISION
4 _____
5 In re) Chapter 9
6)
7 CITY OF DETROIT, MICHIGAN,) Case No. 13-53846
8)
9 Debtor.) Hon. Steven W. Rhodes
10 _____)
11
12

13 The videotaped deposition of ALEXANDRA SCHWARZMAN,
14 called by the City of Detroit for examination, taken
15 pursuant to notice, agreement and by the provisions of
16 the Federal Rules of Civil Procedure 26 and 30 and
17 Federal Rules of Bankruptcy Procedure 7026 and 7030
18 pertaining to the taking of depositions, taken before
19 DEBORAH HABIAN, Registered Merit Reporter, Certified
20 LiveNote Reporter, a Notary Public within and for the
21 County of Cook, State of Illinois, and a Certified
22 Shorthand Reporter of said State, at the offices of
23 Jones Day, 77 West Washington Street, Chicago,
24 Illinois, on Thursday, the 12th day of September,
25 2013, at 12:00 p.m. CST.

Page 2	Page 4
<p>1 APPEARANCES</p> <p>2</p> <p>3 ON BEHALF OF THE CITY OF DETROIT</p> <p>4 PEPPER HAMILTON, LLP, by</p> <p>5 DEBORAH KOVSKY-APAP, ESQ.</p> <p>6 Suite 1800</p> <p>7 4000 Town Center</p> <p>8 Southfield, Michigan 48075-1505</p> <p>9 (248) 359-7300</p> <p>10 kovskyd@pepperlaw.com</p> <p>11 and</p> <p>12 JONES DAY, by</p> <p>13 DAN T. MOSS (telephonically)</p> <p>14 51 Louisiana Avenue, N.W.</p> <p>15 Washington, D.C. 20001-2113</p> <p>16 (202) 879-3939</p> <p>17 dtmoss@jonesday.com</p> <p>18</p> <p>19 ON BEHALF OF THE SYNCORA ENTITIES</p> <p>20 KIRKLAND & ELLIS, LLP, by</p> <p>21 WILLIAM E. ARNAULT, ESQ.</p> <p>22 300 North LaSalle Street</p> <p>23 Chicago, Illinois 60654</p> <p>24 (312) 862-3062</p> <p>25 william.arnault@kirkland.com</p>	<p>1 (CONTINUED)</p> <p>2 APPEARANCES</p> <p>3</p> <p>4 ON BEHALF OF ASSURED GUARANTY MUNICIPAL CORP.</p> <p>5 WINSTON & STRAWN, LLP, by</p> <p>6 BIANCA FORDE, ESQ. (telephonically)</p> <p>7 200 Park Avenue</p> <p>8 New York, New York 10166-4193</p> <p>9 (212) 294-6700</p> <p>10 bforde@winston.com</p> <p>11</p> <p>12 ON BEHALF OF FINANCIAL GUARANTY INSURANCE COMPANY</p> <p>13 WEIL GOTSCHAL & MANGES, LLP, by</p> <p>14 DANA M. KAUFMAN, ESQ. (telephonically)</p> <p>15 767 Fifth Avenue</p> <p>16 New York, New York 10153</p> <p>17 (212) 310-8000</p> <p>18 dana.kaufman@weil.com</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 3	Page 5
<p>1 (CONTINUED)</p> <p>2 APPEARANCES</p> <p>3</p> <p>4 ON BEHALF OF ERSTE EUROPÄISCHE PFANDBRIEFUND</p> <p>5 KOMMUNALKREDITBANK AKTIENGESELLSCHAFT</p> <p>6 IN LUXEMBURG S.A.</p> <p>7 BALLARD SPAHR, LLP, by</p> <p>8 MATTHEW G. SUMMERS, ESQ. (telephonically)</p> <p>9 919 North Market Street</p> <p>10 11th Floor</p> <p>11 Wilmington, Delaware 19801</p> <p>12 (302) 252-4428</p> <p>13 summersm@ballardspahr.com</p> <p>14</p> <p>15 ON BEHALF OF RETIREE ASSOCIATION PARTIES</p> <p>16 LIPPITT O'KEEFE, PLLC, by</p> <p>17 ANN CUBERA LIPP, ESQ. (telephonically)</p> <p>18 370 East Maple Road</p> <p>19 3rd Floor</p> <p>20 Birmingham, Michigan 48009</p> <p>21 (248) 646-8292</p> <p>22 alipp@lippittokeefe.com</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 (CONTINUED)</p> <p>2 APPEARANCES</p> <p>3</p> <p>4 ON BEHALF OF MERRILL LYNCH CAPITAL SERVICES, INC.</p> <p>5 CADWALADER WICKERSHAM & TAFT, LLP, by</p> <p>6 ELLEN M. HALSTEAD, ESQ. (telephonically)</p> <p>7 One World Financial Center</p> <p>8 New York, New York 10153</p> <p>9 (212) 504-6732</p> <p>10 ellen.halstead@cwt.com</p> <p>11</p> <p>12 ON BEHALF OF USB</p> <p>13 BINGHAM McCUTCHEN, LLP, by</p> <p>14 STEVEN WILAMOWSKY, ESQ. (telephonically)</p> <p>15 399 Park Avenue</p> <p>16 New York, New York 10022-4689</p> <p>17 (212) 705-7000</p> <p>18 steven.wilamowsky@bingham.com</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

Page 6				Page 8			
1	I N D E X			1	THE VIDEOGRAPHER: We are now on the		
2	WITNESS	PAGE		2	record in the matter of In Re: City of Detroit,		
3	ALEXANDRA SCHWARZMAN			3	Michigan.		
4	Exam by Ms. Kovsky-Apap	10		4	Today's date is September 12th, 2013.		
5				5	The time is now 12:03 p.m. according to the video		
6	QUESTIONS INSTRUCTED NOT TO ANSWER			6	monitor. This is the video-recorded deposition of		
7	By Mr. Arnault			7	Alexandra Schwarzman, being taken at 77 West Wacker		
8	Page 29, Line 8	Page 78, Line 4		8	Drive in Chicago, Illinois.		
9	Page 30, Line 10	Page 81, Line 22		9	I'm the camera operator. My name is		
10	Page 31, Line 18	Page 99, Line 15		10	Peter Prezzano, in association with Alderson		
11	Page 44, Line 8	Page 105, Line 8		11	Reporting, located at 1155 Connecticut Avenue,		
12	Page 46, Line 12	Page 111, Line 9		12	Northwest, in Washington, D.C.		
13	Page 47, Line 1	Page 125, Line 21		13	The court reporter is Debbie Habian,		
14	Page 49, Line 13	Page 126, Line 3		14	also in association with Alderson Reporting.		
15	Page 49, Line 23	Page 127, Line 10		15	Will all attorneys please identify		
16	Page 64, Line 7	Page 132, Line 20		16	themselves and the parties they represent, beginning		
17	Page 66, Line 21			17	with the party noticing this proceeding.		
18				18	MS. KOVSKY-APAP: My name is Deborah		
19				19	Kovsky-Apap. I'm with the law firm of Pepper		
20	QUESTIONS WITNESS REFUSED TO ANSWER			20	Hamilton. We're special litigation counsel to the		
21	Page 32, Line 20			21	City of Detroit.		
22	Page 44, Line 18			22	MR. ARNAULT: My name is William		
23	Page 52, Line 13			23	Arnault. I'm with Kirkland & Ellis and we represent		
24	Page 66, Line 1			24	Syncora Guarantee Incorporated and Syncora Capital		
25				25	Insurance Incorporated.		

Page 7				Page 9			
1	SCHWARZMAN EXHIBITS			1	THE VIDEOGRAPHER: Will the court		
2	NUMBER	DESCRIPTION	PAGE	2	reporter please administer the oath and we may		
3	Exhibit 1	Syncora Amended Disclosure	27	3	proceed.		
4		of Rebuttal Witnesses and		4	THE REPORTER: Raise your right hand,		
5		Documents		5	please.		
6				6	(Witness sworn.)		
7	Exhibit 2	Objection of Syncora Guarantee	40	7	THE WITNESS: Yes.		
8		Inc. and Syncora Capital Assurance		8	THE REPORTER: Thank you.		
9		Inc. to Motion of Debtor for		9	MS. KOVSKY-APAP: Okay. Before we		
10		entry of an order		10	get started, I know Mr. Arnault has an objection he'd		
11				11	like to place on the record.		
12	Exhibit 3	Declaration of Alexandra	55	12	MR. ARNAULT: That's correct.		
13		Schwarzman		13	Thanks, Deb.		
14				14	So before we begin, I want to make a		
15	Exhibit 4	Confidentiality Agreement,	84	15	few comments on the record. First of all, I would		
16		undated and unsigned		16	like to note that -- for the record -- that this		
17				17	deposition is actually being videotaped right now,		
18	Exhibit 5	7/10/2013 Confidentiality	106	18	even though it was not noticed as a videotaped		
19		Agreement		19	deposition. As a result, we object on the grounds of		
20				20	failure to provide adequate notice.		
21	Exhibit 6	7/10/2013 Confidentiality	109	21	Second of all, we've stated that, in		
22		Agreement, executed by Syncora		22	our filing, that we may call Miss Schwarzman as a		
23				23	rebuttal witness to testify about topics that are		
24	Exhibit 7	7/9/2013 Confidentiality	140	24	consistent with her declaration and the negotiations		
25		Agreement re the Data Room		25	that she had with the City regarding an NDA. Given		

<p style="text-align: right;">Page 10</p> <p>1 the limited categories of information that</p> <p>2 Miss Schwarzman -- Schwarzman may testify about, any</p> <p>3 questions should be limited to these narrow</p> <p>4 categories.</p> <p>5 Third and last, Miss Schwarzman is an</p> <p>6 attorney at Kirkland & Ellis who has been providing</p> <p>7 legal advice to Syncora. So I want to be very clear</p> <p>8 up front that by putting her up for this deposition we</p> <p>9 are not waiving any protections afforded by the</p> <p>10 attorney-client privilege or the work product doctrine</p> <p>11 and she will not be providing answer -- or providing</p> <p>12 answers to any questions that require her to divulge</p> <p>13 any privileged or otherwise-protected information.</p> <p>14 Thanks, Deb.</p> <p>15 MS. KOVSKY-APAP: Okay. Well, we'll</p> <p>16 respond to those objections in due course, I'm sure.</p> <p>17 MR. ARNAULT: Sure.</p> <p>18 ALEXANDRA SCHWARZMAN,</p> <p>19 called as a witness herein by the City of Detroit,</p> <p>20 having been first duly sworn, was examined and</p> <p>21 testified as follows:</p> <p>22 EXAMINATION</p> <p>23 BY MS. KOVSKY-APAP:</p> <p>24 Q. Okay. Ms. Schwarzman, as I mentioned</p> <p>25 before my name is Deb Kovsky and my firm is special</p>	<p style="text-align: right;">Page 12</p> <p>1 Q. Okay. And if you don't ask me to</p> <p>2 rephrase the question, I'm going to assume you</p> <p>3 understand it.</p> <p>4 A. Okay.</p> <p>5 Q. And if you answer the question, I</p> <p>6 will assume that you've understood what the question</p> <p>7 is asking. Okay?</p> <p>8 A. Okay.</p> <p>9 Q. Is there any reason that you're</p> <p>10 unable to testify fully and accurately today?</p> <p>11 A. No.</p> <p>12 Q. Are you taking any medications?</p> <p>13 A. No.</p> <p>14 Q. Are you under the influence of</p> <p>15 alcohol or any drugs?</p> <p>16 A. No.</p> <p>17 Q. Are you represented here by counsel</p> <p>18 today?</p> <p>19 A. Yes. Well, my firm.</p> <p>20 Q. Well, when Mr. Arnault introduced</p> <p>21 himself for the record, he indicated that he</p> <p>22 represents Syncora.</p> <p>23 A. That's correct.</p> <p>24 Q. And he does not represent you</p> <p>25 personally; is that correct?</p>
<p style="text-align: right;">Page 11</p> <p>1 litigation counsel to the City of Detroit and I'll be</p> <p>2 asking you some questions under oath today.</p> <p>3 My first question for you is, have</p> <p>4 you ever been deposed before?</p> <p>5 A. No.</p> <p>6 Q. Have you ever attended a deposition?</p> <p>7 A. No.</p> <p>8 Q. So I just want to give you some real</p> <p>9 basic what I call rules of road, just so that we're on</p> <p>10 the same page and so that the court reporter is able</p> <p>11 to get down your answers clearly.</p> <p>12 First, I -- I'd ask that you give</p> <p>13 verbal answers to questions since the court reporter,</p> <p>14 even though we're videotaping, this the court reporter</p> <p>15 still needs to be able to record your verbal answers.</p> <p>16 If you need a break at any point or</p> <p>17 if you need to consult with your colleague for any</p> <p>18 reason, that's fine, just let us know. But what I'd</p> <p>19 ask is if there was a pending question to first answer</p> <p>20 the question then we can take a break. Okay?</p> <p>21 A. Okay.</p> <p>22 Q. If I ask a question and you don't</p> <p>23 understand what I mean, will you ask me to rephrase</p> <p>24 it?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 13</p> <p>1 A. Correct.</p> <p>2 Q. Okay. So you are not actually</p> <p>3 represented by counsel today?</p> <p>4 A. Correct.</p> <p>5 Q. Okay. Did you have any discussions</p> <p>6 with anyone in preparation for this deposition?</p> <p>7 A. Yes.</p> <p>8 Q. Who did you have discussions with?</p> <p>9 A. Mr. Arnault and Steve --</p> <p>10 MR. ARNAULT: Well, sorry. I'll just</p> <p>11 interject for the record. We do -- I do represent</p> <p>12 Miss Schwarzman in her -- into the capacity that she's</p> <p>13 testifying today.</p> <p>14 MS. KOVSKY-APAP: Well, she's</p> <p>15 testified that she believes she's not represented by</p> <p>16 you, so...</p> <p>17 MR. ARNAULT: Well, I mean, we can</p> <p>18 take this off the record or -- do you believe --</p> <p>19 sorry. Go ahead.</p> <p>20 We can take this off the record</p> <p>21 quickly.</p> <p>22 THE VIDEOGRAPHER: Now going off the</p> <p>23 record at 12:07 p.m.</p> <p>24 (Recess taken from 12:07 p.m. to 12:09 p.m.)</p> <p>25 THE VIDEOGRAPHER: Now going back on</p>

<p style="text-align: right;">Page 30</p> <p>1 question again?</p> <p>2 BY MS. KOVSKY-APAP:</p> <p>3 Q. My question is, were you aware,</p> <p>4 before this was filed, that you might be called as a</p> <p>5 witness?</p> <p>6 MR. ARNAULT: You can answer "yes" or</p> <p>7 "no."</p> <p>8 THE WITNESS: Yes.</p> <p>9 BY MS. KOVSKY-APAP:</p> <p>10 Q. And how did you come by that</p> <p>11 awareness? * * * *</p> <p>12 A. I don't want to reveal any</p> <p>13 communications.</p> <p>14 MR. ARNAULT: Yes. Objection. This</p> <p>15 is -- objections, this would be internal Kirkland</p> <p>16 communications and work product.</p> <p>17 Instruct the witness not to answer.</p> <p>18 BY MS. KOVSKY-APAP:</p> <p>19 Q. Now, the first paragraph of this</p> <p>20 document makes reference to "the motion of Debtor for</p> <p>21 entry of an order: (I) authorizing the assumption</p> <p>22 about certain forbearance and optional termination</p> <p>23 agreement pursuant to Section 365(a) of the Bankruptcy</p> <p>24 Code (II) approving such agreement pursuant to</p> <p>25 Rule 9019 and (III) granting related relief."</p>	<p style="text-align: right;">Page 32</p> <p>1 testifying as to -- as a rebuttal witness with respect</p> <p>2 to the motion.</p> <p>3 MR. ARNAULT: No. She's actually</p> <p>4 testifying as a rebuttal witness with respect to the</p> <p>5 negotiations that she had surrounding the TRO, and</p> <p>6 with respect to her declaration. She doesn't mention</p> <p>7 the forbearance agreement or the order.</p> <p>8 MS. KOVSKY-APAP: Well, this -- this</p> <p>9 is -- this is the Amended Disclosure of Rebuttal</p> <p>10 Witnesses and Documents In Advance of the September 23</p> <p>11 Hearing and it makes specific reference to the</p> <p>12 Assumption Motion. There is no hearing pending</p> <p>13 regarding a nondisclosure agreement.</p> <p>14 MR. ARNAULT: But if you look at what</p> <p>15 she is -- what we specifically --</p> <p>16 MS. KOVSKY-APAP: We're going to move</p> <p>17 on.</p> <p>18 MR. ARNAULT: Okay.</p> <p>19 BY MS. KOVSKY-APAP:</p> <p>20 Q. So you decline to -- to state whether</p> <p>21 you have an understanding of what relief the Debtor is</p> <p>22 seeking? * * * *</p> <p>23 A. Correct.</p> <p>24 Q. Are you aware that your firm's</p> <p>25 clients, Syncora Guarantee Inc. and Syncora Capital</p>
<p style="text-align: right;">Page 31</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. Now do you understand in that</p> <p>4 reference, the Debtor that's being referred to is the</p> <p>5 City of Detroit?</p> <p>6 A. Yes.</p> <p>7 Q. Are you familiar with the motion that</p> <p>8 is referenced in the first paragraph of what I'll call</p> <p>9 this disclosure?</p> <p>10 A. Yes.</p> <p>11 Q. Have -- and just because it's a real</p> <p>12 mouth-full of a motion, if I refer to that as "the</p> <p>13 Assumption Motion," would that be okay?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. Have you reviewed the</p> <p>16 Assumption Motion?</p> <p>17 A. Yes.</p> <p>18 Q. Do you have an understanding of what</p> <p>19 relief the Debtor is seeking by the Assumption Motion?</p> <p>20 * * * *</p> <p>21 MR. ARNAULT: Objection. This calls</p> <p>22 for work product information.</p> <p>23 I'll instruct the witness not to</p> <p>24 answer.</p> <p>25 MS. KOVSKY-APAP: Mr. Arnault, she's</p>	<p style="text-align: right;">Page 33</p> <p>1 Assurance Inc. have objected to the Assumption Motion?</p> <p>2 MR. ARNAULT: You can answer "yes" or</p> <p>3 "no."</p> <p>4 THE WITNESS: Yes.</p> <p>5 MS. KOVSKY-APAP: Unless you have an</p> <p>6 objection to state for the record, I'd appreciate it</p> <p>7 if you don't instruct the witness how to answer.</p> <p>8 MR. ARNAULT: Okay. But I'm</p> <p>9 telling -- because you're wading into potentially --</p> <p>10 MS. KOVSKY-APAP: If you -- if you</p> <p>11 want to state an objection for the record, you can</p> <p>12 state an objection for the record. But I have to ask</p> <p>13 you to stop instructing the witness how to answer my</p> <p>14 questions.</p> <p>15 MR. ARNAULT: Understood.</p> <p>16 BY MS. KOVSKY-APAP:</p> <p>17 Q. So just to ask the question again:</p> <p>18 You're aware that these two entities which I'll</p> <p>19 refer -- convenience refer to as "Syncora," unless I'm</p> <p>20 specifically referring to one or the other of them.</p> <p>21 Is that okay if I refer to them collectively as</p> <p>22 "Syncora"?</p> <p>23 A. Yes.</p> <p>24 Q. You are aware that they have objected</p> <p>25 to the Assumption Motion, correct?</p>

<p style="text-align: right;">Page 46</p> <p>1 speaks for itself.</p> <p>2 MS. KOVSKY-APAP: Your objection is</p> <p>3 noted counsel. Thank you.</p> <p>4 MR. ARNAULT: Um-hum.</p> <p>5 THE WITNESS: I believe that that's</p> <p>6 an accurate reading one can make.</p> <p>7 BY MS. KOVSKY-APAP:</p> <p>8 Q. Okay. And take a moment, please, to</p> <p>9 review paragraphs 49, 50 and 51, if you would.</p> <p>10 A. (Reviewing document.)</p> <p>11 Okay.</p> <p>12 Q. None of those reasons that are</p> <p>13 identified in those three paragraphs, those paragraphs</p> <p>14 that summarize the reasons for denial of the</p> <p>15 Assumption Motion, none of those has anything to do</p> <p>16 with the negotiation of an NDA; is that correct?</p> <p>17 * * * *</p> <p>18 MR. ARNAULT: Objection, the document</p> <p>19 speaks for itself. And this would require the witness</p> <p>20 to make a legal conclusion which would invade the work</p> <p>21 product doctrine and attorney-client privilege.</p> <p>22 I instruct the witness not to answer.</p> <p>23 MS. KOVSKY-APAP: As far as the</p> <p>24 document speaking for itself, your objection is noted.</p> <p>25 BY MS. KOVSKY-APAP-APAP:</p>	<p style="text-align: right;">Page 48</p> <p>1 impairment of third-party rights is a clear basis to</p> <p>2 deny the Assumption Motion."</p> <p>3 Q. Now, none of those words that you</p> <p>4 just read included the words "nondisclosure</p> <p>5 agreement," correct?</p> <p>6 A. Correct.</p> <p>7 Q. And using your basic understanding of</p> <p>8 English and not any legal analysis, do any of those</p> <p>9 sentences refer to the negotiation of a nondisclosure</p> <p>10 agreement?</p> <p>11 MR. ARNAULT: Objection, form. And</p> <p>12 objection to the extent that you can separate out your</p> <p>13 basic understanding of English and legal analysis</p> <p>14 but --</p> <p>15 MS. KOVSKY-APAP: Mr. Arnault, I have</p> <p>16 to ask you to stop with the speaking objections.</p> <p>17 MR. ARNAULT: Well, you're trying to</p> <p>18 delve into what is clearly work product information.</p> <p>19 You're going after strategy information and her</p> <p>20 analysis of what the reasons are that Syncora's</p> <p>21 objecting to -- to the Assumption Motion. It's</p> <p>22 clearly work product information and I'm going to</p> <p>23 continue objecting and instructing the witness not</p> <p>24 to -- not to answer.</p> <p>25 BY MS. KOVSKY-APAP:</p>
<p style="text-align: right;">Page 47</p> <p>1 Q. However, to the extent that all I am</p> <p>2 asking is, looking at the words on the page, do you</p> <p>3 agree that there's nothing in those three paragraphs</p> <p>4 that references a nondisclosure agreement? * * * *</p> <p>5 MR. ARNAULT: Objection. This would</p> <p>6 require analysis of those three paragraphs which is</p> <p>7 work product and attorney-client. And I instruct the</p> <p>8 witness not to answer.</p> <p>9 MS. KOVSKY-APAP: Mr. Arnault, I</p> <p>10 would hate to have to get the judge on the phone on</p> <p>11 such a simple matter, although he did invite us to do</p> <p>12 so.</p> <p>13 I am not asking her to analyze. If</p> <p>14 she -- fine. Let's do this -- we'll do it the hard</p> <p>15 way.</p> <p>16 BY MS. KOVSKY-APAP:</p> <p>17 Q. Miss Schwarzman, please read</p> <p>18 Paragraph 49 out loud.</p> <p>19 A. "First, the Forbearance Agreement</p> <p>20 purports to impair significant third-party rights and</p> <p>21 seeks to mute state law contractual disputes of third</p> <p>22 parties. Neither Section 365 nor Bankruptcy Rule 9019</p> <p>23 allow the Court to adjudicate complicated state law</p> <p>24 issues that bear on third parties who are not parties</p> <p>25 to the settlement or contract. Instead, the</p>	<p style="text-align: right;">Page 49</p> <p>1 Q. To the extent that you are able to</p> <p>2 answer based on your understanding of the English</p> <p>3 language -- which as a graduate of Vanderbilt and NYU,</p> <p>4 I assume is pretty good -- are you able to tell me</p> <p>5 whether any of these sentences that you just read in</p> <p>6 Paragraph 49 refer to the negotiation of a</p> <p>7 nondisclosure agreement?</p> <p>8 MR. ARNAULT: Objection, the document</p> <p>9 speaks for itself.</p> <p>10 THE WITNESS: I did not read the</p> <p>11 words "nondisclosure agreement."</p> <p>12 BY MS. KOVSKY-APAP:</p> <p>13 Q. Did you read any words that indicated</p> <p>14 a nondisclosure agreement without using those specific</p> <p>15 words? * * * *</p> <p>16 MR. ARNAULT: Objection, form and,</p> <p>17 again, this would, to the extent you're using</p> <p>18 "indicated," this could reveal work product</p> <p>19 information.</p> <p>20 I'll instruct the witness not to</p> <p>21 answer.</p> <p>22 BY MS. KOVSKY-APAP:</p> <p>23 Q. Without revealing work product</p> <p>24 information, do you see any reference to a negotiation</p> <p>25 of a nondisclosure agreement? * * * *</p>

<p style="text-align: right;">Page 78</p> <p>1 BY MS. KOVSKY-APAP:</p> <p>2 Q. Yes, you do have an understanding?</p> <p>3 A. Yes.</p> <p>4 Q. So there was presumably some benefit</p> <p>5 that Syncora would achieve by offering a proposal to</p> <p>6 the City? * * * *</p> <p>7 MR. ARNAULT: I'm going to object on</p> <p>8 the grounds that, again, you're delving into her</p> <p>9 mental impressions and her communications with our</p> <p>10 client.</p> <p>11 So I'm going to instruct the witness</p> <p>12 not to answer.</p> <p>13 BY MS. KOVSKY-APAP:</p> <p>14 Q. Is Syncora in the business of</p> <p>15 altruism?</p> <p>16 A. You would have to ask them.</p> <p>17 MR. ARNAULT: Objection, form.</p> <p>18 BY MS. KOVSKY-APAP:</p> <p>19 Q. In your experience, does a business</p> <p>20 party typically make a proposal that does not benefit</p> <p>21 itself?</p> <p>22 MR. ARNAULT: Objection, form,</p> <p>23 foundation.</p> <p>24 BY MS. KOVSKY-APAP:</p> <p>25 Q. You can answer.</p>	<p style="text-align: right;">Page 80</p> <p>1 Q. You do have personal knowledge of</p> <p>2 that. And your -- even though this is the -- the</p> <p>3 whole reason for the existence of a potential</p> <p>4 nondisclosure agreement, which is the heart of your</p> <p>5 testimony, you are refusing to answer any questions</p> <p>6 regarding this potential proposal?</p> <p>7 A. Yes.</p> <p>8 MR. ARNAULT: And I'll note for the</p> <p>9 record that this -- during the depositions of Mr. Orr</p> <p>10 and Mr. Buckfire, they refused to answer questions</p> <p>11 about the DIP or the DIP proposal on the grounds that</p> <p>12 it was commercially sensitive information and --</p> <p>13 MS. KOVSKY-APAP: Counsel, you really</p> <p>14 need to make stop making talk speaking objections.</p> <p>15 We're not arguing the motion in front of the court</p> <p>16 right now. I'm asking questions of the witness.</p> <p>17 MR. ARNAULT: I'm simply telling you</p> <p>18 that we will be objecting on the same grounds.</p> <p>19 MS. KOVSKY-APAP: Counsel, if you</p> <p>20 have a objection to state for the record, by all</p> <p>21 means, do so.</p> <p>22 MR. ARNAULT: Okay. Objection. That</p> <p>23 question would call for commercially sensitive</p> <p>24 information that we will not be disclosing, much as</p> <p>25 the City did not disclose in its --</p>
<p style="text-align: right;">Page 79</p> <p>1 A. I suppose it depends on the business.</p> <p>2 Q. In your discussions with counsel for</p> <p>3 the City regarding a nondisclosure agreement, was this</p> <p>4 proposal -- this potential proposal was discussed?</p> <p>5 A. Not the terms.</p> <p>6 Q. But, yes, this pro -- was this</p> <p>7 potential proposal discussed in any form?</p> <p>8 A. The existence of a proposal was</p> <p>9 discussed.</p> <p>10 Q. Well, tell me what you said about the</p> <p>11 potential proposal.</p> <p>12 A. We wanted the City to keep the terms</p> <p>13 of the proposal confidential from the Swap</p> <p>14 Counterparties.</p> <p>15 Q. Did you give the City any indication</p> <p>16 of what the proposal might be about?</p> <p>17 A. I did not discuss what the proposal</p> <p>18 would be about, no.</p> <p>19 Q. Did Mr. Bennett discuss, in your</p> <p>20 hearing, anything about the proposal?</p> <p>21 A. No.</p> <p>22 Q. So you have no personal knowledge --</p> <p>23 well, let me ask you: Do you have any personal</p> <p>24 knowledge of what this potential proposal was to be?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 81</p> <p>1 MS. KOVSKY-APAP: Counsel, you can</p> <p>2 state your objection for the record. You do not need</p> <p>3 to make arguments. We're not deposing Mr. Orr today,</p> <p>4 nor are we arguing before the court.</p> <p>5 BY MS. KOVSKY-APAP:</p> <p>6 Q. Without going into what that</p> <p>7 potential proposal might actually contain, are you</p> <p>8 aware -- was -- are you aware if a written proposal</p> <p>9 was actually prepared?</p> <p>10 A. Yes.</p> <p>11 Q. Were you involved in the preparation</p> <p>12 of such a proposal?</p> <p>13 A. No.</p> <p>14 Q. Do you know who was involved?</p> <p>15 A. Yes.</p> <p>16 Q. Were there attorneys from Kirkland</p> <p>17 who were involved?</p> <p>18 A. Yes.</p> <p>19 Q. Do you know which attorneys were</p> <p>20 involved in the preparation of that proposal?</p> <p>21 A. Yes.</p> <p>22 Q. Who were they? * * * *</p> <p>23 MR. ARNAULT: Objection. This delves</p> <p>24 into attorney-client privilege and work product</p> <p>25 information.</p>

<p style="text-align: right;">Page 106</p> <p>1 Q. -- verbally for the record.</p> <p>2 A. No answer.</p> <p>3 Q. Okay.</p> <p>4 A. Can't disclose that.</p> <p>5 Q. Now, other than Paragraph 7 of the</p> <p>6 draft NDA where you said you believed that a</p> <p>7 resolution was reached, do you remember whether</p> <p>8 resolution was reached on any of these other issues</p> <p>9 that were raised?</p> <p>10 A. Yeah. I believe we came to a</p> <p>11 resolution except for the two points that I referenced</p> <p>12 in Paragraph 5 of my declaration.</p> <p>13 Q. What is the resolution with respect</p> <p>14 to Syncora's desire to unilaterally terminate the NDA?</p> <p>15 A. I don't remember the specific</p> <p>16 resolution.</p> <p>17 Q. Well, let's do this, then. I'm going</p> <p>18 to give you a later draft and see if this will refresh</p> <p>19 your recollection. It's being marked as Exhibit 5.</p> <p>20 (Schwarzman Exhibit 5 was marked for ID.)</p> <p>21 MS. KOVSKY-APAP: For those on the</p> <p>22 phone, we're handing the witness a document that's</p> <p>23 also entitled "Confidentiality Agreement," dated July</p> <p>24 10th, 2013. And I'm going to see what I did with my</p> <p>25 copy of it.</p>	<p style="text-align: right;">Page 108</p> <p>1 A. Correct.</p> <p>2 Q. Okay. Do you re- -- looking at this</p> <p>3 document, are you able to tell how that was resolved?</p> <p>4 A. I'll go through the whole thing.</p> <p>5 (Reviewing document.)</p> <p>6 I don't see anything in here.</p> <p>7 Q. So you don't see any unilateral</p> <p>8 termination provision?</p> <p>9 A. No. If you can point me to it, if</p> <p>10 I'm missing it.</p> <p>11 Q. Well, I didn't see one either. I</p> <p>12 just wanted to see if this refreshed your recollection</p> <p>13 of -- of what was negotiated.</p> <p>14 So your client agreed to a proposed</p> <p>15 NDA that did not have the unilateral termination</p> <p>16 provision that was initially requested, correct?</p> <p>17 A. That's what it appears to be.</p> <p>18 Q. And with respect to the</p> <p>19 confidentiality restrictions lifting 90 days after</p> <p>20 termination of the NDA?</p> <p>21 A. I don't see those here either.</p> <p>22 Although I will note that this is not the final</p> <p>23 version of the NDA, so...</p> <p>24 Q. Well, was there a final version that</p> <p>25 was executed by all parties?</p>
<p style="text-align: right;">Page 107</p> <p>1 THE WITNESS: (Reviewing document.)</p> <p>2 BY MS. KOVSKY-APAP:</p> <p>3 Q. Just let me know when you're done</p> <p>4 reviewing it.</p> <p>5 A. Okay.</p> <p>6 Q. And first, let me ask you: Do you</p> <p>7 recognize this document?</p> <p>8 A. Yes.</p> <p>9 Q. What is it?</p> <p>10 A. This looks like a later in time draft</p> <p>11 of the NDA.</p> <p>12 Q. And this would be after the</p> <p>13 resolution of most of the issues that we've talked</p> <p>14 about so far, correct?</p> <p>15 A. I think so. Although it's not</p> <p>16 red-lined, so I'd have to go searching for all the</p> <p>17 terms, but I would imagine.</p> <p>18 Q. Well, you said that by the end of the</p> <p>19 call on July 2nd everything except two issues were</p> <p>20 resolved, right?</p> <p>21 A. Correct.</p> <p>22 Q. And so leaving those two issues</p> <p>23 aside, one of the issues that you said was resolved</p> <p>24 was the unilateral termination that Syncora was</p> <p>25 requesting, correct?</p>	<p style="text-align: right;">Page 109</p> <p>1 A. By Syncora. The City never returned</p> <p>2 it.</p> <p>3 Q. Okay. How are you able to tell that</p> <p>4 this was not the final version?</p> <p>5 A. Because it's not the signature block</p> <p>6 that's on the final version.</p> <p>7 Q. Okay. Let me see I may have that</p> <p>8 one.</p> <p>9 MS. KOVSKY-APAP: Let's mark this as</p> <p>10 Number 6.</p> <p>11 (Schwarzman Exhibit 6 was marked for ID.)</p> <p>12 MS. KOVSKY-APAP: We're marking as</p> <p>13 Exhibit 6 a "Confidentiality Agreement," also, dated</p> <p>14 as July 10th, 2013. It is -- it's a version that is</p> <p>15 appears to have two Syncora entities on the signature</p> <p>16 block, executed by Syncora.</p> <p>17 THE WITNESS: (Reviewing document.)</p> <p>18 BY MS. KOVSKY-APAP:</p> <p>19 Q. Is this what, in your mind, would be</p> <p>20 the last version that was exchanged between the</p> <p>21 parties?</p> <p>22 A. Yes.</p> <p>23 Q. And does this version have a</p> <p>24 unilateral termination provision?</p> <p>25 A. You don't happen to have a red-line,</p>

<p style="text-align: right;">Page 138</p> <p>1 BY MS. KOVSKY-APAP:</p> <p>2 Q. In the end, since Syncora made a</p> <p>3 proposal along the same lines as the proposal that it</p> <p>4 was originally contemplating with respect to the NDA,</p> <p>5 it went ahead and made the proposal without an NDA.</p> <p>6 So ultimately the NDA was kind of irrelevant, wasn't</p> <p>7 it?</p> <p>8 A. Well, there's two questions in there.</p> <p>9 But as to irrelevance, I'm going to say, no, it was</p> <p>10 not irrelevant.</p> <p>11 Q. So Syncora couldn't make its proposal</p> <p>12 without the NDA?</p> <p>13 A. I don't want to reveal any</p> <p>14 confidential communications, but suffice it to say</p> <p>15 it's very different circumstances between the initial</p> <p>16 time of what was going on here and what was happening</p> <p>17 in the world when Syncora ultimately made the</p> <p>18 proposal.</p> <p>19 Q. Yeah. But ultimately, Syncora was</p> <p>20 able it make its proposal without benefit of any NDA</p> <p>21 being signed.</p> <p>22 A. Correct.</p> <p>23 Q. Okay.</p> <p>24 MS. KOVSKY-APAP: I'd like to go off</p> <p>25 the record for a couple of minutes and take a short</p>	<p style="text-align: right;">Page 140</p> <p>1 data room; is that correct?</p> <p>2 A. Yes.</p> <p>3 Q. And would it -- well, I'll just</p> <p>4 refresh your recollection.</p> <p>5 MS. KOVSKY-APAP: Let's have this</p> <p>6 marked as 7.</p> <p>7 (Schwarzman Exhibit 7 was marked for ID.)</p> <p>8 BY MS. KOVSKY-APAP:</p> <p>9 Q. I've handed you what's titled</p> <p>10 "Confidentiality Agreement." It's dated July 9th. Do</p> <p>11 you recognize this as the confidentiality agreement</p> <p>12 related to the Data Room?</p> <p>13 A. Yeah.</p> <p>14 Q. And if you turn to the last page</p> <p>15 where the signature blocks are --</p> <p>16 A. Um-hum.</p> <p>17 Q. -- you see that this was executed by</p> <p>18 the City of Detroit and Syncora Capital Assurance Inc.</p> <p>19 A. Yes.</p> <p>20 Q. So Jones Day was not a party to this</p> <p>21 agreement, correct?</p> <p>22 A. They are who I negotiated this</p> <p>23 agreement with. But they did not sign the agreement.</p> <p>24 Q. Are you suggesting that,</p> <p>25 notwithstanding the fact that they didn't sign the</p>
<p style="text-align: right;">Page 139</p> <p>1 break.</p> <p>2 THE VIDEOGRAPHER: Sure. This ends</p> <p>3 Disk Number 2. Now going off the record at 2:14 p.m.</p> <p>4 (Recess taken from 2:14 p.m. to 2:38 p.m.)</p> <p>5 THE VIDEOGRAPHER: This begins Disk</p> <p>6 Number 3. Now going back on the record at 2:38 p.m.</p> <p>7 BY MS. KOVSKY-APAP:</p> <p>8 Q. Miss Schwarzman, do you recall that</p> <p>9 you testified earlier that you have negotiated two</p> <p>10 NDAs in your career so far?</p> <p>11 A. Correct.</p> <p>12 Q. And you said that Jones Day was the</p> <p>13 counterparty to both of those NDAs; is that correct?</p> <p>14 A. Correct.</p> <p>15 Q. By "counterparty," do you mean the</p> <p>16 signatory?</p> <p>17 A. By "counterparty," I mean the firm</p> <p>18 with which I was negotiating.</p> <p>19 Q. Okay. So it's not your testimony</p> <p>20 that Jones Day actually ever signed an NDA with</p> <p>21 Syncora?</p> <p>22 A. No. I don't remember who signed the</p> <p>23 other one. They never signed this.</p> <p>24 Q. Okay. And the other NDA was with</p> <p>25 respect to what has been referred to as the City's</p>	<p style="text-align: right;">Page 141</p> <p>1 agreement, they were somehow a party to the agreement?</p> <p>2 A. No.</p> <p>3 Q. So Jones Day was not a party to this</p> <p>4 agreement; is that correct?</p> <p>5 A. Correct.</p> <p>6 Q. Thank you.</p> <p>7 Earlier I asked you some questions</p> <p>8 about what has been called the "forbearance and</p> <p>9 optional termination agreement."</p> <p>10 Do you remember that?</p> <p>11 A. Yeah.</p> <p>12 Q. And you're aware of what agreement</p> <p>13 I'm referring to when I say "forbearance and optional</p> <p>14 termination agreement"?</p> <p>15 A. Yes.</p> <p>16 Q. Is my understanding correct that you</p> <p>17 will refuse, on the basis of attorney-client privilege</p> <p>18 and/or work product, to testify any further than</p> <p>19 you've already done regarding your understanding of</p> <p>20 what that agreement means and what its purpose is?</p> <p>21 A. Correct.</p> <p>22 MS. KOVSKY-APAP: Okay. I will pass</p> <p>23 the witness, if anyone else wants to ask any</p> <p>24 questions. I think most of the people on the phone</p> <p>25 indicated they did not.</p>